

VZCZCXRO9580
PP RUEHCI
DE RUEHKT #0739/01 1001239
ZNY CCCCC ZZH
P 101239Z APR 07
FM AMEMBASSY KATHMANDU
TO RUEHC/SECSTATE WASHDC PRIORITY 5550
INFO RUEHLO/AMEMBASSY LONDON PRIORITY 5222
RUEHKA/AMEMBASSY DHAKA PRIORITY 1110
RUEHLM/AMEMBASSY COLOMBO PRIORITY 5899
RUEHBJ/AMEMBASSY BEIJING PRIORITY 5599
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 3918
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1280
RUEHCI/AMCONSUL KOLKATA PRIORITY 3349
RHMFISS/CDR USPACOM HONOLULU HI PRIORITY
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RHEFDIA/DIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUEHGV/USMISSION GENEVA PRIORITY 1600
RUCNDT/USMISSION USUN NEW YORK PRIORITY 2587

C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000739

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E.O. 12958: DECL: 04/10/2017

TAGS: [PGOV](#) [PTER](#) [PREL](#) [PREF](#) [BT](#) [IN](#) [NP](#)

SUBJECT: AFTER PUSHING FOR AN INTERIM GOVERNMENT, INDIANS
NOW ADMIT OBSTACLES TO ELECTIONS

Classified By: Ambassador James F. Moriarty for reasons 1.4(b/d).

Summary

11. (C) Indian Ambassador Shiv Shankar Mukherjee agreed with the Ambassador April 9 that the re-appointment of Krishna Prasad Sitaula as Home Minister would exacerbate existing tensions in the Terai and make it more difficult to impose law and order. They also agreed that problems remained with the inclusion of marginalized groups in the political process. The Ambassador reassured Mukherjee that U.S. support for the Madhesi People's Rights Forum (MPRF) was based on the need to include marginalized groups in a national dialogue and did not extend to condoning violence. India would support a decision by the Seven Party Alliance (SPA) and Maoists to postpone the Constituent Assembly election if the decision was reached jointly by all eight governing parties, Mukherjee stressed. He appeared visibly worried that a recent U.S. assessment indicated that political parties remained unable to conduct party business freely in 80 percent of Nepal's districts. The Indian Ambassador agreed that a flawed election would need to be condemned broadly and publicly. According to Mukherjee, India's Prime Minister had told Prime Minister Koirala that India supported third-country resettlement of the Bhutanese refugees. Once resettlement had progressed significantly, India might assist in repatriating the residual population.

Home Minister's Re-appointment Sent Wrong Message

12. (C) In a meeting April 9 with Indian Ambassador Shiv Shankar Mukherjee, the Ambassador emphasized that the formation of an interim government with Krishna Prasad Sitaula as Home Minister had exacerbated tensions with the Madhesi rights movement in the Terai and made it more difficult to impose law and order across the country. Mukherjee agreed, noting that every Madhesi he had contacted felt "insulted" by the PM's decision to retain Sitaula. The Government of India (GOI) supported legitimate Madhesi grievances but believed Madhesis needed to play a more responsible role, come into the process and participate in elections. The Ambassador pointed out that the Government of Nepal (GON) had not yet allowed Madhesis into the political

process. Mukherjee agreed that inclusion remained a problem.

U.S. Support for the Madhesi People's Rights Forum

¶3. (C) Mukherjee reported that he had reports that the Madhesi People's Rights Forum (MPRF) President Upendra Yadav had claimed that he had the backing of the United States and thus did not need India's help. Mukherjee appeared worried that the U.S. was attempting to undermine the Maoists by supporting the MPRF. The Ambassador assured him that the U.S. was not providing the MPRF with anything but moral support. The Embassy had issued a public statement in the wake of the Gaur massacre condemning violence on both sides. The Ambassador said it was important that the diplomatic community continued to press the GON to more adequately include marginalized groups, including the MPRF, in the political process.

India Would Support GON Decision To Delay Election...

¶4. (C) Mukherjee noted that there had been increased talk of delaying the Constituent Assembly (CA) election scheduled for June 20. The GOI would support any decision by the Seven Party Alliance (SPA) and the Maoists to postpone the CA election, but that the eight parties should jointly announce and publicly support any such decision. The international diplomatic community, Mukherjee averred, should not publicly push for an election delay. The Ambassador agreed, with the caveat that the environment for elections needed to be free and fair or else face condemnation.

KATHMANDU 00000739 002 OF 002

...But Agreed That Flawed Elections Were Possible

¶5. (C) The Ambassador described a recent National Democratic Institute (NDI) assessment that concluded that Nepali political parties were unable to work freely in 80 percent of Nepal's districts due to Maoist intimidation and the instability in the Terai. Mukherjee appeared visibly worried when the Ambassador described how political party workers were only allowed to work in the countryside as long as they abided by Maoist rules, which included not criticizing the Maoists. The Ambassador explained that he was urging the international community to declare publicly that, if Maoists failed to improve their behavior in the run-up to elections, elections could not be free and fair. Mukherjee agreed that flawed elections would need to be denounced broadly and publicly.

India Told Nepal to Proceed with Bhutanese Refugee Resettlement

¶6. (C) The Ambassador said he was not pleased that Prime Minister G.P. Koirala had told Assistant Secretary Richard Boucher in New Delhi that third-country resettlement of the Bhutanese refugees would only happen after some repatriation to Bhutan had begun. The Ambassador said that he had warned Finance Minister Ram Saran Mahat on April 8 that the U.S. was not willing to support Nepal's political gamesmanship with Bhutan; if resettlement were indefinitely postponed, the U.S. might begin reducing its assistance to the refugee camps. Mahat had indicated that the GON intended to pursue both repatriation and resettlement simultaneously, but wanted international condemnation of Bhutan, the Ambassador said. Mukherjee also related Indian Prime Minister Man Mohan Singh's discussion with PM Koirala on the margins of the SAARC Summit; Singh had encouraged Koirala to move ahead with resettlement now, adding that after resettlement had progressed significantly, India might help with repatriating the residual population.

Comment

¶7. (C) Compared with India's strong push for an interim government and desire to move ahead quickly toward a Constituent Assembly election, the GOI now seems to have begun to acknowledge that some delay in the election might be required. Perhaps the GOI has realized that, with continuing unrest in the Terai and Maoist threats and intimidation unabated, flawed elections are likely and could entirely derail the peace process.

MORIARTY